

News from Rep. Stephanie Herseth

For Immediate Release

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HERSETH RELEASES REPORT OUTLINING BUDGET'S EFFECT ON RURAL AMERICA

House Budget Reconciliation Has Dire Consequences for Rural Families

November 10, 2005, Washington, D.C. - Rep. Stephanie Herseth, co-chair of the House Rural Working Group, today released a report demonstrating the negative effect of Budget Reconciliation on rural America. Later today, House leadership is scheduled to bring to the floor a budget package that contains deep cuts to programs important to rural America, while still increasing the federal deficit. This budget process has been extremely controversial, and Republican leadership has postponed the vote as they work to gather support for the package.

Specifically, the report shows that the budget will cut farm commodity programs by \$1 billion, cut rural development, conservation and energy programs by \$1 billion, and cut Food Stamps by \$844 million, eliminating nutrition and school lunch and breakfast benefits for hundreds of thousands of families and children. Rep. Herseth said, "These cuts will break the promises of the Farm Bill at a time when rural communities are facing difficult challenges, with farm income declining, energy cost soaring, and hurricanes, droughts and floods devastating many of our rural communities."

The report shows that the measure also targets other services particularly helpful for families in rural communities including Medicaid and college student loans. Nearly 100,000 South Dakotans depend on Medicaid, and nearly 90% of South Dakota's college students rely on some form of financial aid.

Finally, the report documents that even with the spending cuts targeted at programs that help rural communities, the budget still increases the deficit by more than \$100 billion over five years. Herseth said, "It does not make sense to me that we would choose to cut necessary programs when we don't even achieve a balanced budget. Pursuing budget policies that increase the deficit while reducing the safety net that supports our rural communities in South

Dakota and across the country is wrong.”

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Congresswoman Stephanie Herseth serves South Dakota in the U.S. House of Representatives. She is a member of the Blue Dog Coalition, a group of moderate Democrats committed to fiscal discipline and strong national security, and is co-chair of the Rural Working Group, which is dedicated to raising the profile of issues important to rural America. She also serves on three committees vital to South Dakota's interests: Agriculture, Veterans' Affairs and Resources.